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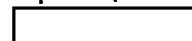
# **National Intelligence Bulletin**

State Dept. review completed

DIA review(s) completed.

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LATE ITEMPORTUGUESE ELECTION RESULTS

Unofficial tallies, with most of the ballots counted, show the combined votes of the three moderate parties at about 70 percent. The Communist Party and its close ally, the Portuguese Democratic Movement, are coming in with about 17 percent.

The latest figures show:

--The Socialist Party with about 34 percent.

--The moderate Popular Democratic Party, about 29 percent.

--The Communist Party, some 14 percent.

--The center-right Social Democratic Center, about 7 percent.

With a 92-percent turnout, only about 8 percent of the voters cast blank ballots, a way some members of the ruling Armed Forces Movement had urged undecided voters to show their support for the government.

The official results will not be released for eight days.

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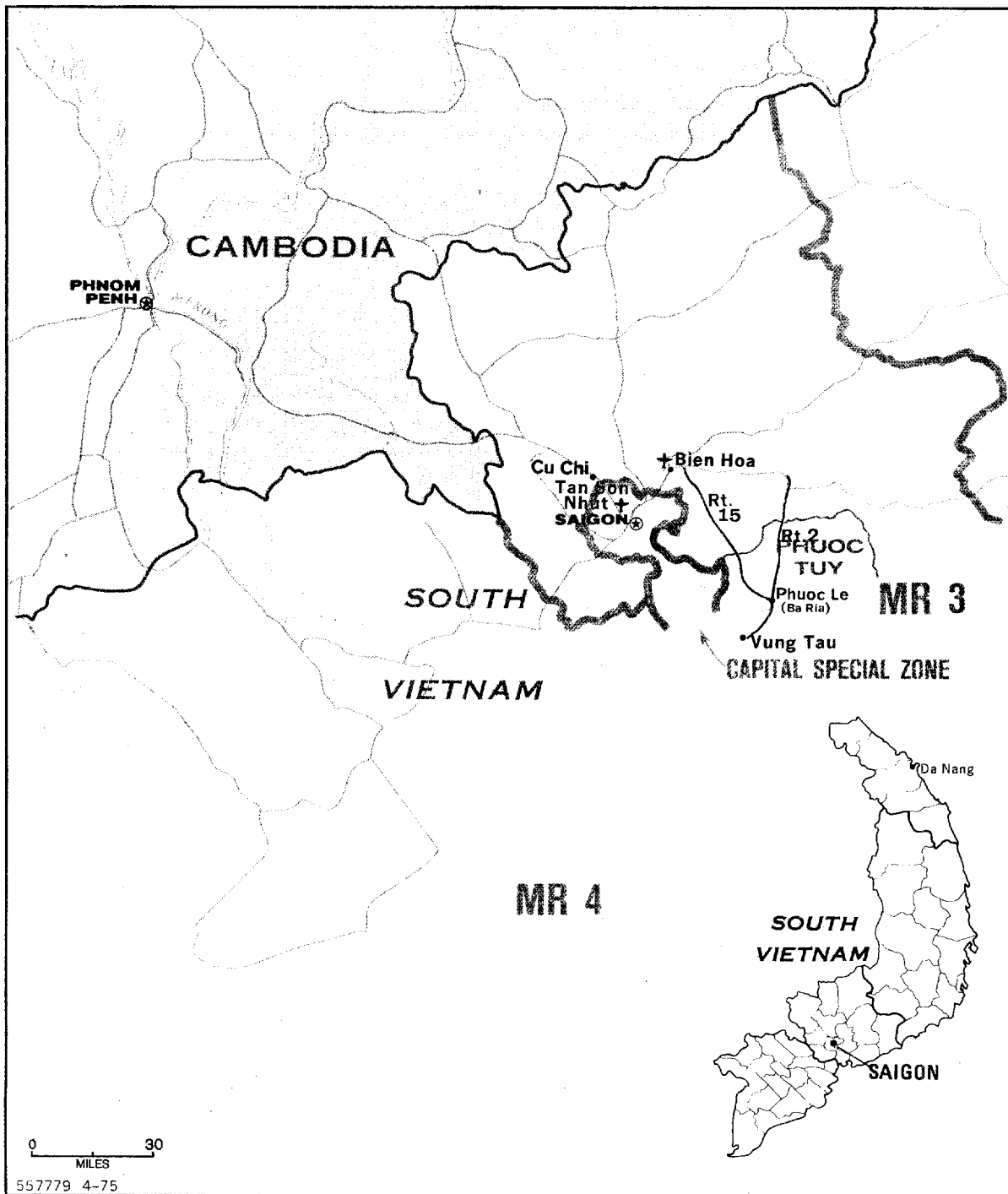
SOUTH VIETNAM

South Vietnam's President Huong asked the National Assembly today to decide whether he should turn over power to General Duong Van "Big" Minh. Huong appealed to the legislators to support his own efforts to seek negotiations with the communists, but he indicated that he would resign so that Minh could become president if the assembly asked him to do so. Huong has been under considerable pressure by influential Vietnamese of all political persuasions to step down in favor of Minh, and it seems likely that the assembly will also ask him to do so.

A Minh government's *raison d'etre* would be to seek and accept immediately whatever terms the communists offer. Buddhist leader Thich Tri Quang says that Minh's return to power would only be to "hoist the white flag." It is no longer possible to do more than "save the furniture."

To emphasize this point, Minh already has tentatively selected a government of surrender featuring leaders of South Vietnam's previously vocal opposition movements. Senator Nguyen Van Huyen, a moderate southern Catholic and outspoken Thieu opponent, has been designated vice president in charge of negotiations. The selection of Huyen is obviously designed to reassure Catholics and conservatives and encourage their support. Senator Vu Van Mau, representing the militant An Quang Buddhists, would serve as prime minister and foreign minister concurrently. In a gesture of accommodation to the communists, Madame Ngo Ba Thanh--an American-educated lawyer and longtime leftist gadfly who has been involved for years in various antigovernment organizations--would become minister of justice.

The Viet Cong's Provisional Revolutionary Government, through its foreign minister, Madame Nguyen Thi Binh, has indicated that it would consider negotiations with a government headed by Minh. Moreover, Minh's selection of individuals for his new government complies with a



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PRG demand that the new Saigon administration must represent a clean break from the former regime and include no one who was sympathetic to former president Thieu. The communists probably also believe that Minh would accept their other demand that all US military support and personnel be withdrawn.

In a statement on April 24, the PRG used a formulation that at least suggested that the communists might allow a residual US diplomatic presence to continue in Saigon by stating that any new government must demand the immediate withdrawal of all American "military and intelligence personnel." This appears to represent a refinement of earlier statements that the communists viewed all American civilians in South Vietnam as "disguised" military advisers and that all these must also be included in the total withdrawal.

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The communists are maintaining pressure on Saigon's outer defenses with small-scale attacks along the main approaches to the city. As the communists continue to secure avenues of attack toward the capital, South Vietnamese bases and outposts west of Saigon are prime targets, and the shellings of these positions are heavy.

at two major government positions virtually all of the South Vietnamese artillery was destroyed. The Bien Hoa airbase and other targets northeast of Saigon are also being shelled regularly, and the South Vietnamese training camp on the city's outskirts has come under attack.

The communists are also positioning forces closer to Vung Tau. One regiment of the North Vietnamese 325th Division with its supporting armor is moving down Route 2, just outside the Phuoc Tuy Province capital of Phuoc Le. This force could move against Phuoc Le at any time, but will be difficult to move beyond Phuoc Le to Vung Tau--a distance of 12 miles down a narrow peninsula that has only one road. An advance section of the North Vietnamese 320th Division has shown up to the north along Route 15, the main road linking Vung Tau with Bien Hoa and Saigon. This division could act as a blocking

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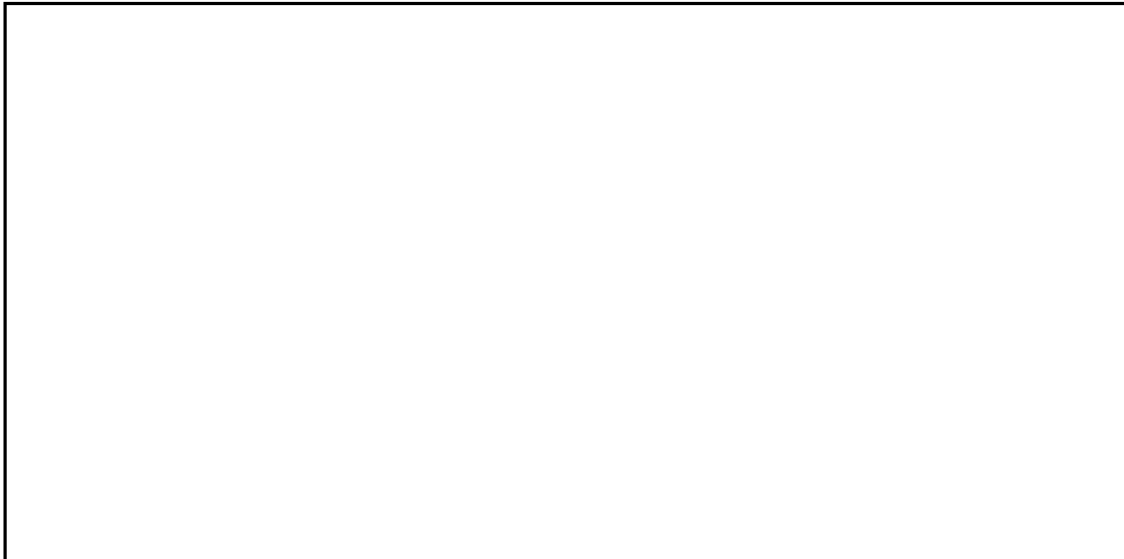
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force in its present position or it could move to attack Bien Hoa from the south or even shift westward toward Saigon.

Despite the relatively low level of combat on the battlefronts around Saigon, there continue to be abundant indications of communist planning for increased fighting that could lead to direct assaults on Saigon itself.



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Although there have been only minor incidents among those awaiting evacuation at Saigon's Tan Son Nhut airbase, the commander of the Airborne, General Le Quang Luong has two Airborne brigades in Saigon, and he has warned that he will take unilateral action to restore order at the airbase should large-scale violence erupt.

Such action could lead to direct confrontation between various groups of armed South Vietnamese military and civilian security personnel, which in turn could lead to the closing of the airbase to evacuation aircraft.



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### GREECE

In a private meeting yesterday with a select group of NATO representatives, the Greek delegate presented a paper outlining Athens' views on the future of the military relationship between Greece and NATO. Although the paper is tentative and sketchy, it indicates a flexibility on the Greek military role in NATO that the Karamanlis government has previously not shown.

The paper states that, as a general rule, Greek forces will remain under national command, but that in the case of a "clear threat" of aggression, such forces as will be mutually agreed upon can be considered NATO reserve forces. In the event of imminent or actual aggression these forces would be assigned to NATO.

In order to facilitate the cooperation of Greek forces in NATO, the paper proposes that Greece participates in those NATO peacetime activities that are "essential to the fulfillment of its agreed NATO mission." The paper does not define the nature and scope of this participation. The Greek delegate asked for an informal dialogue with the NATO representatives on the paper and for their suggestions on points that need to be clarified.

The NATO select group will now work informally to clarify vague points in the paper before presenting it to a wider NATO forum. Such issues as the extent of peacetime cooperation are bound to be sticky. The Greek representative appeared most forthcoming on this point, but the Karamanlis government will have to move carefully in reestablishing open military cooperation with NATO if it wishes to avoid provoking strong parliamentary opposition. The NATO representatives are scheduled to discuss the paper again on May 12.

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### CAMBODIA

More than a week has passed since Phnom Penh's surrender, and there is still no sign that the new regime has been formally established in the capital.

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Two Chinese Boeing 707s flew to Phnom Penh on Wednesday and Thursday, but so far there is no sign that Prince Sihanouk was aboard either aircraft.

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Phnom Penh radio has been broadcasting special programs as part of an official three-day "victory celebration" but has made no mention of Sihanouk's arrival or the presence of any other notables. The broadcasts earlier in the week by Deputy Prime Minister Khieu Samphan and Information Minister Hu Nimm were recorded.

Sihanouk has said he is delaying his departure from Peking to be at the bedside of his ailing mother, Queen Kossamak. The Khmer communists may be deliberately keeping the Prince waiting both to prevent his stealing the "victory" show and to allow time for the communist administrative apparatus to become firmly entrenched.

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CAMBODIA

A major problem facing the Khmer communists in Phnom Penh is food supply and distribution.

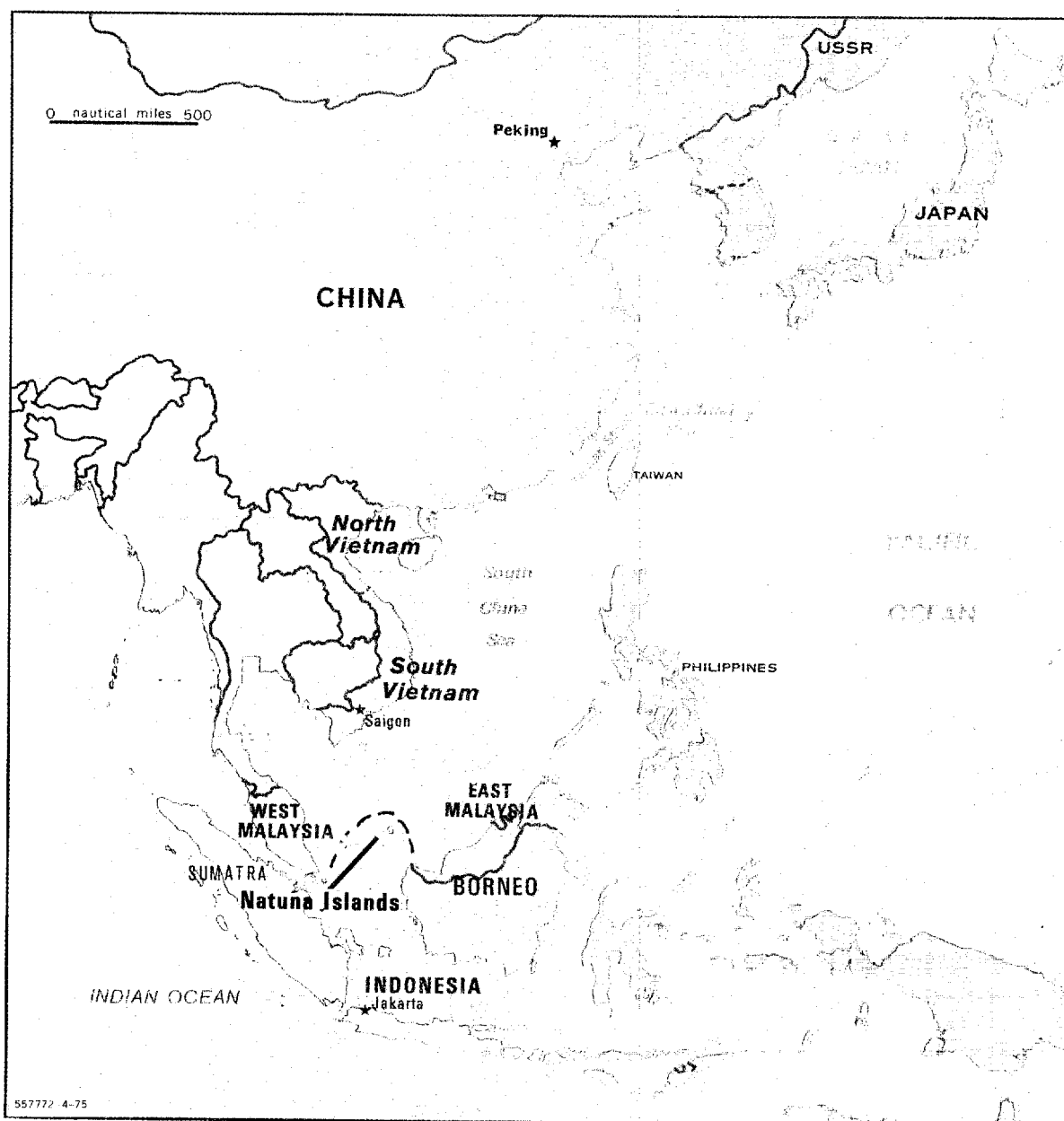
Previously, enough rice for the 3.5 million people under their control had come largely from local sources. Since the fall of Phnom Penh, however, the communists have had an additional 4 million people to feed. To meet total demands, some half million metric tons of rice will be required until the 1975-76 rice harvest begins in late August. Stocks in Cambodia are believed to be about a quarter million metric tons.

In order partially to solve the immediate distribution problem of stocks presently on hand, the communists have begun to relocate people living in the capital and other cities to areas where food is more abundant. These individuals have been instructed to sow as much rice as possible for the 1975-76 planting season which starts in mid-May.

There are only a few potential suppliers to make up the expected shortfall. The most likely source is China, which has continuously supported the insurgent movement. The quantities needed would not strain Peking's food stocks, and the Chinese are anxious to maintain their influence over the communist-dominated government. The USSR may also offer to send food aid, as they have to that part of South Vietnam recently taken over by the North Vietnamese. Shipments of food from these sources would have to begin arriving in Cambodia by mid-June to avert serious shortages.

Even after the 1975-76 rice crop is harvested there will be shortages. Because of the current domestic situation, it is likely that no more than 1 million metric tons of milled rice will be produced. At current consumption rates, this would present the new government with a deficit of between 200,000 and 300,000 metric tons. There are several arrangements that could be made to obtain this rice. Grants or long-term credit could be extended from China or the Soviet Union. In addition, Thailand and Burma would be able and willing to sell rice, but the Khmer communists would be hard-pressed to meet the financial requirements.

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### INDONESIA

Indonesia is becoming increasingly alarmed that the fall of Saigon may result in a communist threat to its Natuna Islands. These islands lie between the coast of Borneo and South Vietnam and are of particular concern to Jakarta because of the oil concessions the Indonesians have granted in the area to several foreign companies. South Vietnam also has claims in the area that overlap those of Indonesia, and the Indonesians fear that the communists may now press the Vietnamese claims.

As a precautionary measure, some military units in northern Sumatra have been placed on alert for detachment to the islands, and the upgrading of other units is being accelerated.

These moves are designed to dissuade any communist incursion into the area. Although Indonesia's forces--numbering almost 375,000--are the third largest in Southeast Asia, the force's effectiveness is reduced by inadequate logistic and a limited command-and-control system. The air and coastal defense systems are weak and the navy has too few ships to patrol the far-flung archipelagos.

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THAILAND

*The Bulletin today prints the précis of an Inter-agency Intelligence Memorandum, "Thai Foreign Policy in the Post-Vietnam Period," April 25, 1975.*

The speed of the communist takeover of Indochina has deeply shocked the Thai and accelerated trends away from reliance on the US security commitment.

Events are still moving too fast for the Thai to have come to any firm conclusions on long-term adjustments of their foreign policy, but we believe that they will clearly move toward a neutral position.

--This is likely to be the case whatever government is in power.

--The special Thai-US rapport has ended.

--The Thai will probably attempt to keep a relatively close relationship with the US; in particular they will continue to look to the US as an important economic partner and for military assistance.

--Even so, we believe the Thai government will stick to its demand that US forces be withdrawn within 12 months.

Other US security interests in Thailand [redacted]

[redacted] will probably survive for two or three years if the US provides substantial military assistance to Thailand.

As the Thai put more distance between themselves and the US, they will move toward improved relations with Hanoi, Peking, and Moscow.

--Diplomatic relations with Hanoi seem probable; but not before US forces are withdrawn.

--Although there is general agreement to the need to improve relations with China, pressure from the military to go slow and problems over the status of Chinese aliens make it unlikely that formal ties can be established before the end of the year.

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--The Thai are probably prepared now to make some gestures in the direction of closer relations with the Soviet Union, primarily as a means of enhancing Thailand's neutralist credentials in the eyes of competing communist powers.

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### USSR

Soviet and US warships will exchange visits next month for the first time in more than 30 years.

Between May 12 and 17, two Soviet Kanin-class guided-missile destroyers and a replenishment oiler from the Northern Fleet will visit Boston. Two US navy warships are to make a port call at Leningrad during the same period.

The Kanin-class units are general-purpose warships with antisubmarine and antiair warfare missions. By sending these older ships, the Soviets apparently intend to protect their newer, more sophisticated units from intelligence exploitation. It is customary for ships on such visits to be open to the public while in port. Kanin-class units have previously taken part in calls to several non-communist countries including some NATO nations, therefore the visit will represent little intelligence risk for the Soviets.

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ROMANIA

Romanian President Ceausescu's sudden trip to Damascus and Cairo suggests that Bucharest is pushing hard for closer association with the nonaligned world and possibly for a seat at the Geneva talks on the Middle East.

Ceausescu arrived in Damascus on Thursday on very short notice and immediately went into a closed-door session with Syrian President Asad. Afterwards, in a joint statement, the two presidents affirmed their support for nonaligned principles such as self-determination and called for an early convening of the Geneva talks attended by all concerned.

On Friday, Ceausescu moved on to Egypt. Foreign Minister Fahmi's office has told a US official that Ceausescu invited himself and that Cairo agreed to receive him only when it became apparent that the visit would be short. The talks in Cairo covered essentially the same points as those in Damascus, but with a slightly greater emphasis on the nonaligned principles.

Ceausescu's trip takes place against a background of increasingly open differences over ideological and foreign policy between Bucharest and Moscow. Ceausescu may believe that by inserting himself into the Middle East picture and by improving relations with key non-aligned nations, he will be better able to resist Soviet pressure. In the past he has carefully balanced his relations with the Israelis and the principal Arab antagonists. Romania is the only East European state to maintain full diplomatic relations with Tel Aviv.

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### ITALY

After stalling for years, Italy has completed ratification of the Nuclear Nonproliferation Treaty.

The Italians probably decided to ratify when it became apparent they lacked support in the International Atomic Energy Agency for a legal maneuver allowing them to continue receiving nuclear materials by ratifying the treaty's safeguards agreement, but not the treaty itself.

Continued access to nuclear materials is particularly important to Rome now that it is seriously considering a plan to reduce dependence on imported oil by constructing 20 new nuclear power plants by 1985. Canada, one of Italy's major potential sources for uranium, recently made it known to the Italians that their request for supplies would not be considered until Rome ratified both the treaty and the safeguards agreement.

Rome had long resisted pressure from the US, the USSR, and many of its EC partners to submit the treaty to parliament for ratification. The Italian Foreign Ministry frequently claimed that the treaty would run into stiff opposition in the legislature.

The treaty's speedy passage through parliament--it was submitted on March 26 and approved on April 23--however, lends support to earlier indications that this was a smokescreen used by top Foreign Ministry professionals to conceal their own opposition.

There is no evidence that Italy wants to join the nuclear club, but these officials were clearly reluctant to give up the maneuverability they thought Rome retained by keeping the option open.

Italy's ratification opens the way for the remaining EURATOM states that have not deposited their instruments of ratification--the West Germany, Luxembourg, Belgium and the Netherlands--to do so. The five had agreed among themselves to complete the process only as a group.

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FOR THE RECORD



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Argentina: Argentine President Peron is apparently trying to dissuade Peronist legislators from placing a strong figure in the senate presidency, the post from which her constitutional successor would come were she to leave office. She probably fears that the availability of an attractive successor would increase the chances of her being replaced. Indeed, to protect her own position, Mrs. Peron reportedly wants the post left vacant if the non-Peronist incumbent, Jose Allende, is removed. Fearful that the President, who has been coming under increased pressure, might resign before the 1977 presidential election, however, the Peronist-controlled senate may well ignore her wishes.



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### ANNEX

#### North Korean Navy Now Superior to That of South

During the past few years Pyongyang has expended considerable effort in building up and improving its navy. North Korea still receives some naval assistance from the USSR and China, but North Korean shipyards are now turning out a missile boat, submarines, and several classes of patrol and amphibious craft. The navy's primary role remains that of coastal defense, but it now has a growing offensive capability with a clear superiority over its Southern counterpart.

The North Korean navy is divided into two separate fleet commands, one on each coast. The East Coast Fleet traditionally has been the stronger, but since 1969 the North Koreans have built up and improved their western fleet. The navy has no air arm and no combatants are equipped with surface-to-air missiles. For protection, Northern ships rely on land-based air cover and conventional anti-aircraft armament.

Pyongyang's major naval combatants comprise two conventionally armed destroyer escorts of native design, eight Osa and ten Komar guided-missile boats, and eight diesel-powered torpedo attack submarines. Most of these were supplied by Pyongyang's two communist sponsors and are divided between the two fleets:

--On the east coast, there are four W-class submarines plus ten Komar and four Osa missile boats supplied by the Soviets.

--On the west coast, there are four Soviet-supplied Osas and the four R-class submarines received from the Chinese.

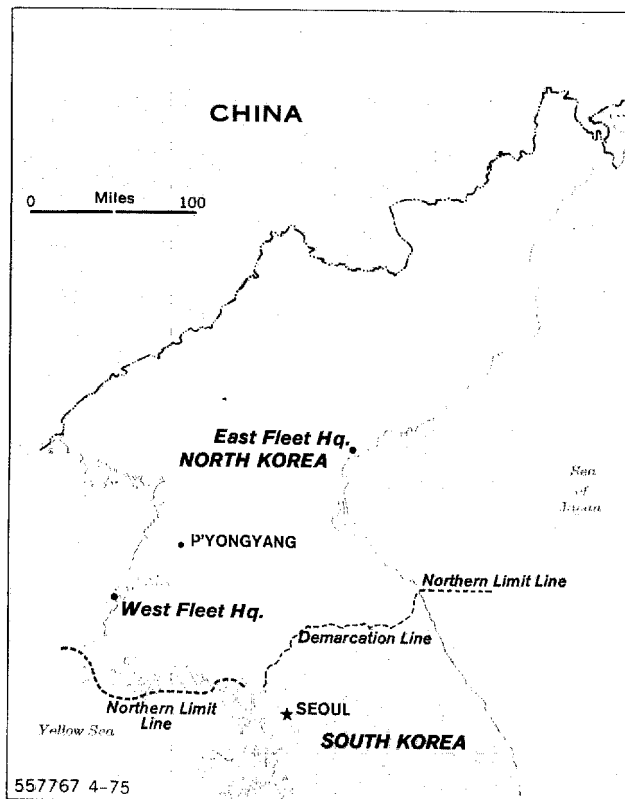
--One destroyer escort is assigned to each fleet.

In recent years, however, the North Koreans have dramatically increased their naval combatant construction program, in part to reduce what they have come to

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view as excessive dependence on their two allies. They have devoted considerable effort toward building ships with a distinctively offensive orientation: an amphibious landing craft and fire support - type boats. During the last three years some 100 of these craft have been built and assigned to squadrons in both fleets. Another class of fire support ship is now under construction, and the lead units could be ready by late this year. Other types of patrol craft, and some small submarines, are also being built.



In addition, the North Koreans are turning out more sophisticated ships. In these efforts, Pyongyang almost certainly is receiving technical assistance from the Soviets or Chinese or both.

**Recent Activities**

Since the incident on February 26 in which a North Korean fishing boat was sunk in international waters in the Yellow Sea, the navy has been involved in extensive training activity. Starting in late February and lasting through early this month, training has encompassed virtually all aspects of the navy's combat capability--troop landings, fire and maneuver exercises, coastal bombardment, and joint exercises with the air force. Guided-missile boats, submarines, and the west coast destroyer escort have participated.

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While the exercise and training activity were probably not the direct result of the February incident, the North Koreans no doubt were spurred by it to improve crew proficiency and to test tactics and assess ship performance. The joint naval-air exercise could, for example, have stressed improved coordination between ships and planes in order to be better prepared for possible future incidents.

Pyongyang has also improved its naval posture near Southern waters. In early February the North Koreans shifted their east coast destroyer escort to a base some 60 nautical miles from the Northern Limit Line--the unofficial seaward extension of the Military Demarcation Line. With that shift, both destroyer escorts are now positioned fairly close to their respective Northern Limit Lines.

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Future Options

The North Korean navy will continue to grow over the long term, with Pyongyang probably giving construction priority to missile boats, submarines, and amphibious and fire support - related ships. The North will continue to need Soviet and Chinese assistance, especially in the areas of sophisticated weapons and electronics systems. It appears unlikely that any additional large surface ships, such as destroyers or destroyer escorts, will be built in the next few years.

The North Koreans will also continue efforts to develop and refine their offensive naval capabilities. With their present missile boat and submarine construction programs, the North Koreans are likely to retain their naval superiority over the South. Seoul's navy currently lacks both missile boats and torpedo attack submarines and no South Korean ship can match the firepower of the 20 to 25 nautical-mile-range Styx missiles carried by Northern missile boats. Pyongyang's major disadvantage is that, in time of war, its navy would have to operate as two fleets separated by South Korea.

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A potential use for Pyongyang's growing offensive capability is in the area of the offshore islands, and the North Koreans are capable of taking them by amphibious and airborne assault. For the near term, Pyongyang almost certainly will continue naval patrolling along the Northern Limit Line and near the UN Command - controlled islands in the west. Additional fishing boats may well be sent south for the coming fishing season, perhaps under armed escort, to ply international waters heretofore "reserved" for Southern fishermen. The North Koreans could also increase naval probing on both coasts in an effort to assess South Korean--and US--reactions and resolve. This could lead to additional incidents and a significant increase in tension in the area.

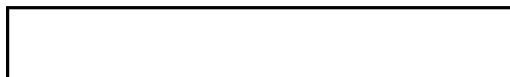
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